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UNCLAS SECTION 01 OF 02 HANOI 000888

SIPDIS

STATE FOR EAP/MLS
NSC FOR ASIA/HOLLY MORROW
BANGKOK FOR PC DIRECTOR JOHN WILLIAMS

SENSITIVE
SIPDIS

E.O. 12958: N/A
TAGS: [ECON](#) [PREL](#) [EAID](#) [VM](#)
SUBJECT: GVN WANTS TO NEGOTIATE ON PEACE CORPS; STICKING POINTS
REMAIN

11. (SBU) This is an action request. Please see paragraph 10.

12. (SBU) Summary: EconCouns met with officials of the Ministry of Education and Training (MOET) and Ministry of Foreign Affairs (MFA) on May 14, 2006, to obtain an update on the Government of Vietnam's (GVN's) intentions on the establishment of a Peace Corps (PC) program. While serious sticking points remain, the GVN demonstrated a willingness to negotiate formally with the Peace Corps, and has asked for the USG to appoint a "negotiator." MOET stated that it would like to conclude discussions this month or in early June, in advance of the visit of President Nguyen Minh Triet to Washington. Mission Vietnam seeks guidance on how to respond. End Summary.

13. (SBU) Econ Counselor met with MOET International Cooperation Department Director General Tran Ba Viet Dzung, Senior Officer Le Duc Long and MFA Deputy Director Americas Department Nguyen Ba Hung at MOET on the afternoon of May 11. The purpose of the meeting was to obtain an update on the status of the Government of Vietnam's intentions on the establishment of the PC presence in Vietnam. As the record of discussion below shows, there are still a number of issues where we and the GVN do not see eye to eye.

14. (SBU) EconCouns opened the meeting by noting statements by Deputy Prime Minister Pham Gia Khiem last March in Washington that Vietnam was ready to welcome PC to Vietnam. Frankly, he continued, these confuse us because the GVN has yet to signal its willingness to seriously negotiate an agreement necessary for this to occur. EconCouns recounted some of the main sticking points for the U.S. side, such as the need for a country agreement, the issue of immunities, the number of authorized staff positions, the number of volunteers, and Vietnam's insistence that any program initially be "temporary" or a "pilot." Given the encouraging signal from Deputy Prime Minister Khiem in his visit to the United States in March, the recent letter supporting a PC program in Vietnam signed by several U.S. Senators and other positive comments about the possibility of the Peace Corps being a deliverable during the upcoming visit of President Triet to Washington, EconCouns inquired whether there had been any changes to the GVN's positions. He concluded by noting that the ball was in the GVN's court.

15. (SBU) Emphasizing the positive, Dzung responded with the following eight points:

(1) Negotiator(s): Dzung asked the USG to assign a single negotiator or a negotiation team to conduct further discussions. Dzung said that he will serve as the chief negotiator for the Vietnamese.

(2) On the PC's entry into Vietnam: Dzung recalled that at the first meeting last year, John Williams, PC Country Director in Thailand, explained that the PC only comes to a country upon invitation.

Dzung commented that Vietnam accepts PC's presence.

(3) Program duration: While it had originally said in our exchanges there would be "24-month limit" on the program, Vietnam has changed its position because of its understanding of the time it takes to set up administratively. Therefore it would accept a "27-month period."

(4) The number of volunteers to serve: The maximum number of volunteers will be 20.

(5) Number of the PC staff in country: The GVN will allow two people instead one, as previously proposed.

(6) Tax treatment: While MOET is still working with the MOF on this issue, the GVN would treat PC volunteers the same as volunteers from other countries, such as Australia, Belgium, Canada, Japan, Korea and the United Kingdom.

(7) U.S. signatory: The GVN would like to have the U.S. Ambassador be the signatory on the agreement for the U.S. side. A senior official from MOET will be appointed by the Prime Minister as a signatory.

(8) Governed law for dispute resolution: If any dispute arises, the applicable law will be Vietnamese law and regulations.

16. (SBU) MFA's Hung said they would be willing to discuss all of the issues further. He added that the GVN hoped to be able to conclude the agreement before President Triet's visit. Therefore, both sides should work together quickly to solve the pending issues. When EconCouns asked how the GVN saw the next steps and the time line, and whether the GVN proposed to send a negotiating team to Washington, Dzung answered that Vietnam would like to have the negotiations in Hanoi this month or in early June. He thought it

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would take three or four days to negotiate the text. He urged the USG to take a practical stand on the issue, and not "demand conditions that the Vietnamese cannot satisfy." He criticized the PC country agreement template as "concentrated only on the U.S. side's privileges." He stated that Vietnam is willing to work seriously with the United States on the establishment of a PC program if an appropriate negotiator is identified and draft agreement can be negotiated.

17. (SBU) EconCouns stressed that the PC cannot work in a country without signing a country agreement reflecting the long-term vision and commitment of the organization. In response, Hung confirmed that Vietnam is willing and desires to sign a government-to-government -- not agency to agency -- commitment. Hung also noted that Vietnam agreed not to call the program a "pilot" project anymore, although the initial term would be 27 months. The GVN was flexible enough to consider any additional points that the United States wanted to insert in the agreement which would help reflect the PC's long-term plan, as long as the wording abides by Vietnamese law and meets its interests. EconCouns said he would report back to Washington and note the Vietnamese request for designating a negotiator.

18. (SBU) Comment: While this was the most positive exchange the Embassy has had with the GVN on this subject since our first talks last year, it remains to be seen whether the Vietnamese can move far enough to meet the requirements of the Peace Corps. We believe negotiations would be useful, however, given the GVN's positive change in attitude and the positive signal of engagement reaching an agreement would send in the context of the upcoming top-level exchange. Though major sticking points remain, the GVN approach -- presumably with an eye on the need for Triet deliverables -- is more flexible than it was months ago.

19. (SBU) Comment continued: We see two possible options for responding to Vietnam's request:

(a) Continue negotiations at the Embassy-MOET level, but with specific instructions from Washington; or

(b) Agree to send a PC negotiator to Hanoi.

Post's recommendation is to adopt option (b). Through direct talks, we will quickly determine the GVN's seriousness in moving forward. Regardless of the option adopted, Post suggests that we formalize our positions on key issues in a diplomatic note prior to initiating direct talks.

¶10. (SBU) Action request: Please advise ASAP whether and how Mission should respond to the GVN request to appoint a negotiator to come to Hanoi within the next several weeks. End action request.

MARINE